



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Tanya Prescott, Treasurer  
Committee for Leadership and Progress  
P.O. Box 31107  
Bethesda, MD 20824

**JUN 26 2002**

Identification Number: C00366666

Reference: February Monthly Report (1/1/02-1/31/02)

Dear Ms. Prescott:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Each separate segregated fund and non-connected committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses between the accounts in proportion to the FUNDS EXPENDED METHOD derived from FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each two-year election cycle. 11 CFR §106.6(c)

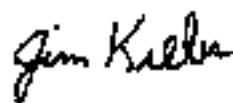
Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your

report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

A response or amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Jim Krebs  
Reports Analyst  
Reports Analysis Division